



**Congressman Jim Jordan (R-OH), Chairman**

**June 9, 2010**

## National Debt Surpasses \$13 Trillion Mark

This week, the national debt officially crossed over the \$13 trillion mark (93% of GDP). Every American's share of this debt is equivalent to \$42,000. The Treasury Department estimates that by 2015, the national debt will rise to \$19.6 trillion—a \$6.6 billion increase in five years. At that point, the national debt will be bigger than the U.S. economy (102% of GDP). By 2020, under the President's budget, the national debt will increase still further to \$26 trillion. In contrast to the President's policies, the RSC budget (H.Con.Res. 281) proposes \$6.4 trillion less debt over the next ten years. Though it is 55 days past the deadline, House Democrats have still failed to bring a budget resolution to the floor.

## CBO: Federal Deficit at \$941 Billion through First Eight Months of FY 2010

According to CBO, the federal budget deficit is \$941 billion through the first eight months of FY 2010. To put this figure in perspective, prior to FY 2009, the highest *final* year deficit in American history was \$459 billion. The deficit for May of this year alone was \$142 billion. If deficit spending were to continue through the next four months at the same rate as the previous eight months, the final FY 2010 deficit would end up at \$1.41 trillion (almost the same as last year's record deficit). The most recent CBO estimate of the President's FY 2011 budget projects a final year \$1.5 trillion deficit.

### Quote of the Week:

*"Today's White House proposal asking government agencies to identify where five percent of their budget can be cut further demonstrates that Democrats' are the party of fiscal responsibility."*

**-Rep. Steny Hoyer (D-MD),**  
6/08/2010

## \$32 Billion Bailout Fund Bill on Floor This Week

This week, the House may consider H.R. 5297, the Small Business Lending Fund Act. This legislation creates the Small Business Lending Fund (SBLF), which would be authorized to make up to \$30 billion of total capital investments in financial institutions



with total assets of less than \$10 billion. The legislation also creates the Small Business Credit Initiative to allocate \$2 billion to states that have created programs intended to increase the amount of capital made available by private lenders to small businesses. This would provide incentives for states to adopt bad policies, and punishes states that are frugal—turning the concept of federalism on its head. In short, the bill creates a \$32 billion bailout fund.

## Comparison of U.S.-Greece Financial Pictures

As Greece is going through a well-publicized debt crisis, it is worth comparing their financial picture to ours. In 2010, Greece's deficit is projected to end up at 9.4% of GDP. According to CBO's forecast of the President's budget, in FY 2010, the federal deficit will be 10.3% of GDP. Greece has larger accumulated deficits than the U.S., and thus, at present, a larger debt as a percentage of GDP. Greece's debt is 130% of GDP, while the U.S. national debt will exceed GDP by 2015.

## Private-Sector Pay Smallest Part of Personal Income in History

The portion of total U.S. income that comes from private-sector pay reached the lowest level in *U.S. history* in the first quarter of 2010. 27.7% of personal income came from either government pay (to government employees) or from government programs.